



Industry Overview

**"We have Cleared the Launchpad... and
We're GO for Throttle-up"**

**Joe Jobe
Chief Executive Officer
National Biodiesel Board**





Production



100 lbs. of veg oil or fat

+

10 lbs. methanol

=

100 lbs. biodiesel (B100)

+

10 lbs. of glycerin



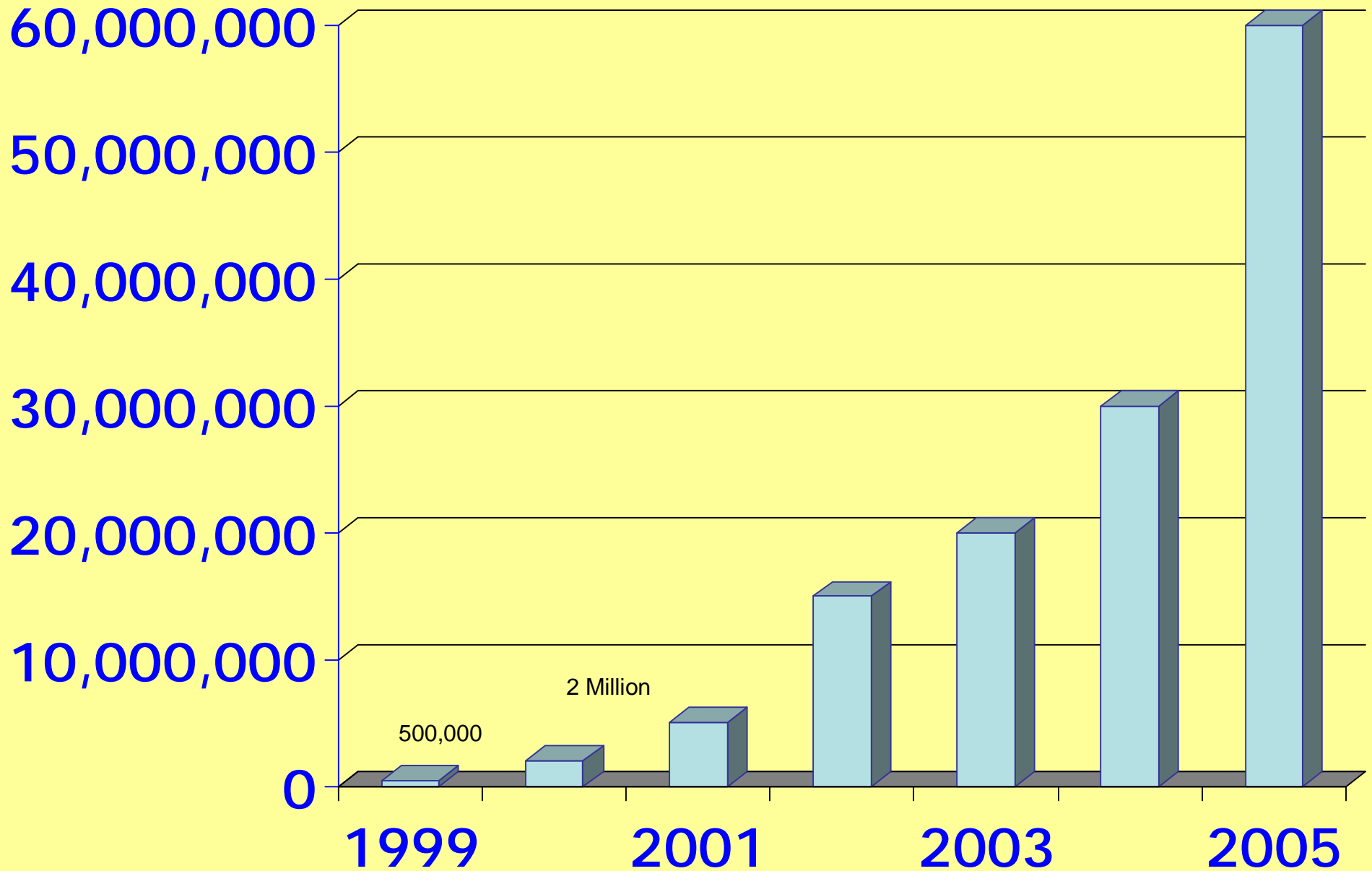


Big Year in Biodiesel

- Ø Passage of Tax Credit
- Ø Energy Bill – credit ext/RFS
- Ø John Deere B2 Factory Fill
- Ø Jeep B5 Factory Fill
- Ø VW B5 Acceptance
- Ø Willie Nelson's Biodiesel
- Ø President Bush promotes biodiesel

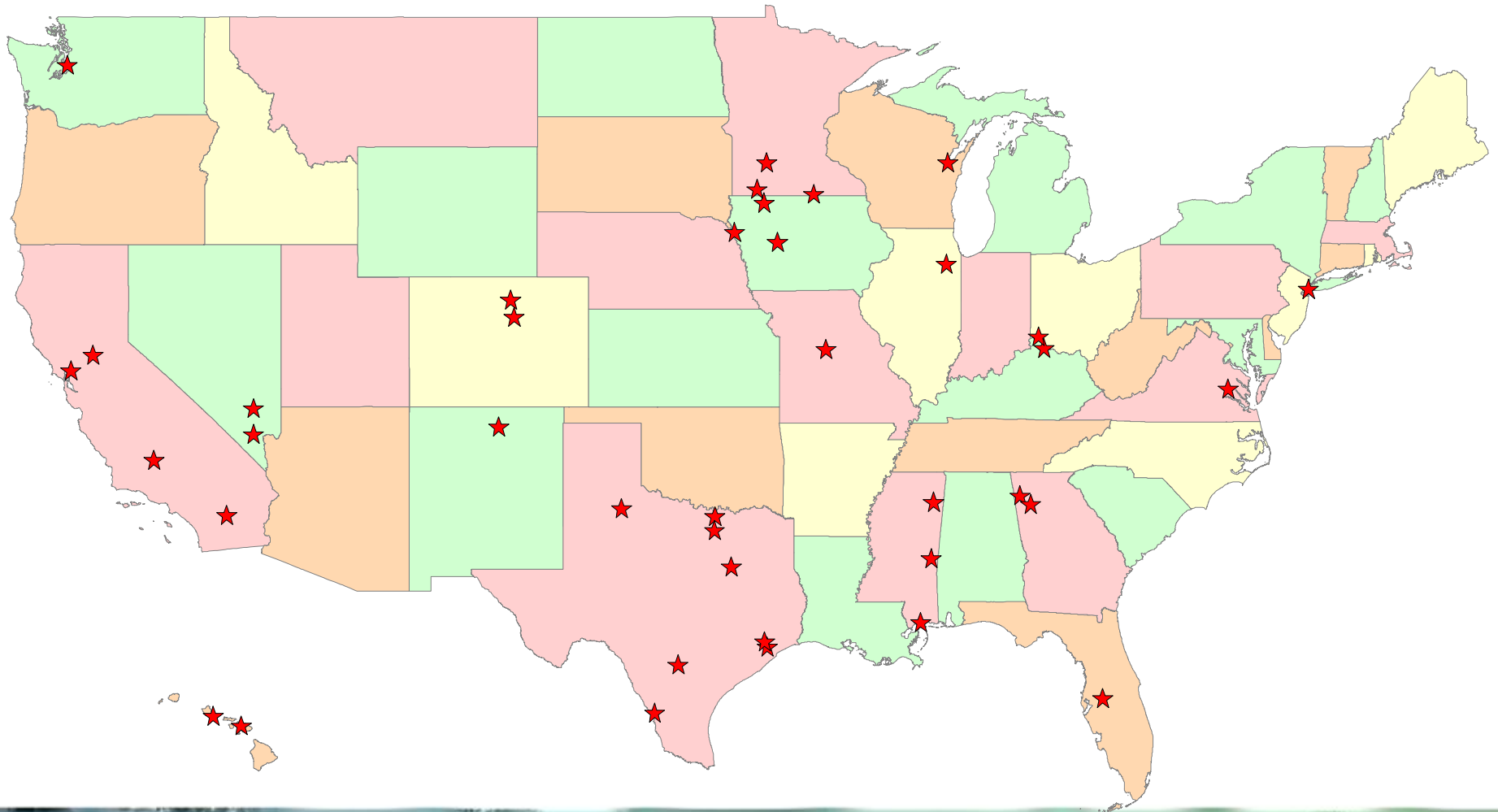


Biodiesel Production (in gallons)



Production Locations

(August 05)





Cost/Pricing

AFI's Biodiesel Index

Location	B100	B20	B2	#2 Diesel
Albany, NY	\$3.1807	\$2.4034	\$2.2285	\$2.2091
Albuquerque, NM	\$3.2317	\$2.7585	\$2.6520	\$2.6402
Atlanta, GA	\$3.5000	\$2.7000	\$2.5200	\$2.5000
Baltimore, MD	\$3.3275	\$2.5484	\$2.3731	\$2.3536
Billings, MT	\$3.4750	\$2.6618	\$2.4788	\$2.4585

U.S. Average: \$3.3004 \$2.6633 \$2.5149 \$2.4984



Performance



- Ø Integrates into existing infrastructure
- Ø High Cetane (>50 vs 42)
- Ø High Lubricity: 1% biodiesel $> 65\%$
- Ø BTU Content (120k BTU/gal vs 126k)
- Ø Cold Flow ($3-5^{\circ}\text{F}$ $>$ for soy-based B20)
- Ø Flash Point (a min 260°F vs 150°)





Cold Weather



- Ø Untreated B20 freezes about 2-10°F faster than #2 petrodiesel, depending on:
 - ◆ the cold flow properties of the biodiesel
 - ◆ the cold flow properties of the petrodiesel
- Ø The same precautions taken with petrodiesel can be used to insure trouble free operation with biodiesel blends





B20 in Cold Temps

- ◆ Glacier National Park
- ◆ B20 used in 60+ vehicles year-round
- ◆ Used in temps down to -35 F



Similar Experience in
Yellowstone





BQ 9000 Accreditation Mark



Ø Passage of Energy Bill

- ◆ Tax incentive ext. thru 2008
- ◆ Renewable Fuel Standard
- ◆ Small Producer Tax Credit
- ◆ Infrastructure Credit for B20 Pumps

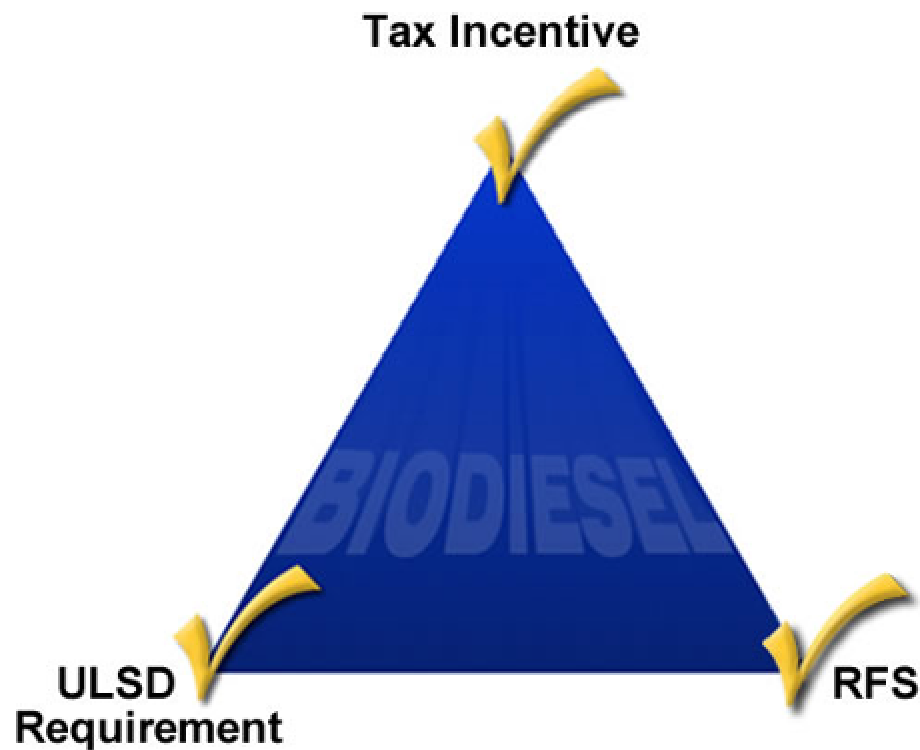


Ø Passage of Transportation Bill

- ◆ Biobased Transportation Research funding



Broad Biodiesel Use as ULSD Lubricity Additive?



State Policies

Ø They remain critical to the industry.

Ø States are increasingly taking proactive steps to implement policies to encourage biofuels.

◆ 2004 130 biodiesel specific bills 27 passed
(30% increase over 2003)

◆ 2005 170 biodiesel specific bills 30 passed
36 states





Montana Legislation

Ø HB 756 (Signed by Gov in April)--Creates several tax credits and incentives aimed at promoting biodiesel in the state including: Oilseed Crush Facility Tax Credit; Biodiesel Production Facility Tax Credit. Biodiesel Production Incentive--provides a \$.10/gallon payment for new production above the previous year for the first 3 years of production. Sunsets 2010.





Montana Legislation

- Ø HB 776 (Signed by Gov in April)--Provides a tax credit for fuel distributors and retailers for investments made in infrastructure used to blend biodiesel. Credits may be made up to 15% of the costs of the infrastructure, not to exceed \$52,500 for distributors and \$7,500 for retailers. Claimants must meet certain requirements including use of biodiesel made from Montana based feedstocks.
- Ø Provides a tax refund to distributors and owners or operators of motor fuel outlets for special fuel taxes paid on biodiesel made from MT feedstocks (\$.02/gallon for distributors, \$.01/gallon for retailers). Eliminates provision taxing biodiesel at 85% of the special fuel tax rate. Biodiesel is taxed at equal rate as diesel fuel. Removes the requirement that a tax label be placed on biodiesel pumps.





State Legislation - MN

- Ø Minnesota Diesel Now Contains 2% Biodiesel Statewide
- Ø Sept. 29 was the official implementation
- Ø MN has exceeded the legislative requirement of biodiesel production capacity of 8 million gallons a year.
 - ◆ The state now leads the nation with 63 million gallons capacity.
- Ø The Minnesota Soybean Growers Association (MSGA) first introduced the B2 legislation in 2000 and again in 2001.
- Ø Passed in a bi-partisan vote in March 2002.
- Ø Will create demand for 16 million gallons of B2 a year





SEARCH WEBSITE:

- quick links**
- [Reports Database](#)
 - [NBB Press Releases](#)
 - [Fuel Fact Sheets](#)
 - [Biodiesel Basics](#)
 - [Members ONLY](#)

- [Resources](#)
[News](#)
[Market Segments](#)
[Buying Biodiesel](#)
[MultiMedia](#)
[About NBB](#)
[Contact NBB](#)

- Biodiesel Information
 - Fuel Fact Sheets**
 - Biodiesel Basics
 - Biodiesel Definitions
 - Biodiesel FAQs
 - Biodiesel Links
 - Tools
 - Members Only Section
- Reports Database
- BQ-9000
- Biodiesel Users
- Biodiesel Links
- Tools
- Members Only Section

[Start Here](#)

New to biodiesel? Many people use the NBB website as a starting point to understanding biodiesel. Below you will find links to our most frequently requested information.

- [Tax Incentive Information](#)
- [Regulatory Bulletin - TxLED status](#)
- [Cold Flow Testing Report](#)
- [Biodiesel Basics](#)
- [Biodiesel Definitions](#)
- [Fuel Fact Sheets](#)
- [2004 Biodiesel Handling/Use Guidelines](#)
- [FAQs](#)
- [Guide to Buying Biodiesel](#)
- [Reports Database](#)
- [Press Releases](#)
- [Subscribe to the Biodiesel Bulletin](#)
- [Become a Biodiesel Alliance/Backer](#)



MEMBERS

- [Member Directory](#)
- [Membership Benefits](#)
- [Membership Info](#)
- [Become A Member](#)

In The News...

[In The News Archive](#)



Featured Story

Bonnie Raitt Hits the Road Again with Cleaner Burning Biodiesel
 Acclaimed musician Bonnie Raitt hits the road for her year-long *Souls Alike* Tour, fueling her two diesel-powered buses and two semis with environmentally friendly biodiesel (B20).

[Read News Release](#)



- [Headlines and Audio from **Brownfield**](#)
- [Headlines from Biobased Information System](#)

9/29/05

Minnesota Implements B2 Standard

The National Biodiesel Board today congratulated Minnesota for its day of implementation of being the first to launch a statewide initiative that blends two percent biodiesel (B2) throughout its entire diesel fuel supply.



Biodiesel Links of Interest

- BQ-9000 - National Accreditation Program for producers/marketers
- Bio-Willie Biodiesel - Home of Willie Nelson's Farm Fresh Biodiesel
- National Clean Cities - Promoting alternative-fuel vehicles, infrastructure, and technologies

**NATIONAL
BIODIESEL
CONFERENCE
& EXPO 2006**

[CLICK HERE](#)

**BIODIESEL
Store**

**BUY BIODIESEL
MERCHANDISE**

[STORE.BIODIESEL.ORG](#)

[Click HERE!](#)

NBB IT

Website Design/Hosting
 Brochures
 Business Cards
 Letterhead..... [MORE!](#)

IT Services for your business from **NBB IT**

[CLICK HERE](#)



Basics

- [Commonly Asked Questions](#)
- [Biodiesel 2005 Backgrounder](#)
- [Biodiesel and Energy Security](#)
- [Emissions](#)
- [Performance](#)
- [Regulated Fleet use of Biodiesel](#)
- [Benefits of Biodiesel](#)
- [Myths and Facts](#)
- [Biodiesel for Kids](#)
- [Clean Cities Fact Sheet: Biodiesel Blends April 2005](#)

Performance & Usage

- [Biodiesel Usage](#)
- [Engine Warranties and Standards/OEM Statements](#)
- [Emissions](#)
- [Environmental & Safety Information](#)
- [Performance](#)
- [Specification for Biodiesel \(B100\)](#)
- [Sample Material Safety Data Sheet](#) (This is an example; contact individual supplier for specific MSDS sheet.)
- [Summary: EPACT Amendments of 1998](#)
- [Chemical Weight and Formula](#)
- [Cold Flow Impacts](#)
- [Electrical Conductivity of Biodiesel](#)
- [Lubricity Benefits](#)
- [Myths and Facts](#)
- [National Low Blend FAQ](#)

Health & Environmental

- [Emissions](#)
- [Environmental & Safety Information](#)
- [Health Effects](#)
- [Environmental Benefits](#)
- [Lifecycle Summary](#)

Engine Manufacturers

- [Engine Warranties and Standards/OEM Statements](#)
- [OEM Warranty Statements and Use of Biodiesel Blends over 5% \(B5\)](#)

Production

- [Production](#)
- [Production Capacity](#)
- [Biodiesel Production & Quality Standards](#)
- [Technical Information & Safe Handling Guide for Methanol](#)
- [Current and Potential Biodiesel Production - Map & Table \(pdf\)](#)

Biodiesel.org - Standards & Warranties - Microsoft Internet Explorer

File Edit View Favorites Tools Help Address http://www.nbb.org/resources/fuelsheets/standards_and_warranties.shtm

workmanship of the engine, but are the responsibility of the fuel supplier and not the engine manufacturer. Any reputable fuel supplier (biodiesel, petrodiesel or a blend of both) should stand behind its products and cover any fuel quality problems if they occur.

Therefore, the most important aspect regarding engine warranties and biodiesel is whether an engine manufacturer will void its parts and workmanship warranty when biodiesel is used, and whether the fuel producer or marketer will stand behind its fuels should problems occur.

Most major engine companies have stated formally that the use of blends up to B20 will not void their parts and workmanship warranties. This includes blends below 20% biodiesel, such as the 2% biodiesel blends that are becoming more common. Several statements from the engine companies are available on the NBB website. Some engine companies have already specified that the biodiesel must meet ASTM D-6751 as a condition, while others are still in the process of adopting D-6751 within their company or have their own set of guidelines for biodiesel use that were developed prior to the approval of D-6751. It is anticipated that the entire industry will incorporate the ASTM biodiesel standard into their owner's manuals over time.

The National Biodiesel Board, the trade association for the biodiesel industry, has formed the National Biodiesel Accreditation Commission (NBAC) to audit fuel producers and marketers in order to enforce fuel quality standards in the US. NBAC issues a 'Certified Biodiesel Marketer' seal of approval for biodiesel marketers that have met all requirements of fuel accreditation audits. This seal of approval will provide added assurance to customers, as well as engine manufacturers, that the biodiesel marketed by these companies meets the ASTM standards for biodiesel and that the fuel supplier will stand behind its products.

With biodiesel that meets the D-6751 specification, there have been over 45 million miles of successful, problem-free, real-world operation with B20 blends in a wide variety of engines, climates, and applications. The steps taken by the biodiesel industry to work with the engine companies and to ensure that fuel meets the newly accepted ASTM standards provides confidence to users and engine manufacturers that their biodiesel experiences will be positive and trouble-free.

Statements

- [Caterpillar](#)
- [Cummins](#)
- [Detroit Diesel](#)
- [Ford](#)
- [GM Motors](#)
- [International](#)
- [John Deere](#)
- [Volkswagen](#)

- OEM Warranty Position Statements -

Internet



www.biodieselconference.org

3rd Annual Biodiesel Conference & Expo

February 5-8, 2006

San Diego, CA

SAVE THE DATE!
**NATIONAL
BIODIESEL
CONFERENCE
& EXPO 2006**



SAN DIEGO CONVENTION CENTER | OMNI SAN DIEGO HOTEL
FEBRUARY 5-8, 2006 | SAN DIEGO, CALIFORNIA

